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SUBJECT: AS MEDICAL STRIKE WIDENS, MINISTER OF HEALTH
EXPLAINS ITS ORIGINS

REF: MANAGUA 193

¶1. (SBU) SUMMARY: The doctor's strike that has paralyzed many public sector hospitals for over two weeks has widened to include the powerful Sandinista union Fetsalud, which represents the vast majority of public sector health care workers. Minister of Health Margarita Gurdian insists that she cannot meet the 30 to 50 percent salary increases the unions are demanding, and states that even a 20 percent increase would be hard to "sell" to the International Monetary Fund (IMF). Nicaragua's labor laws and culture, along with the machinations of the FSLN, combine to produce waves of public sector strikes at regular intervals. As always, FSLN party boss Daniel Ortega will seek to use the medical strike, and threats of work stoppages and street protests in other sectors, in an attempt to wring political concessions from the GON. END SUMMARY.

¶2. (U) The doctors strike described in reftel has widened to include additional medical workers from the powerful (Sandinista) Fetsalud union. While the strike was previously limited to a fluctuating number of the country's 4000 public sector doctors, Fetsalud has over 20,000 public sector medical workers in its ranks, giving it the power to completely shut down public hospitals if it wishes to do so. While the doctors, who have been striking since November, recently stated that they would accept a 30 percent salary increase for 2006, Fetsalud, led by FSLN National Assembly deputy Gustavo Porras, began a series of street protests on January 30 to demand a 48 percent increase in the salaries of all public sector medical workers. Porras has threatened to shut down all but emergency services if the Ministry of Health (Minsa) does not meet his demands.

¶3. (SBU) On January 31, poloff met Minister of Health Margarita Gurdian to discuss the ongoing doctors strike and the incipient Fetsalud work stoppage. Gurdian stated that the root of the problem is the fact that, under Nicaraguan labor law, Minsa must negotiate a new collective bargaining agreement with the medical unions every two years. Because of Nicaragua's conflict-prone labor climate and the desire of the FSLN to foment and exploit such conflict, Minsa must confront waves of strikes at least once every two years, as health workers pressure the government to offer higher salaries and more generous benefits and the Sandinistas seek to score political points.

¶4. (SBU) Gurdian stated that she had steadfastly refused to offer doctors the huge salary increases they had originally demanded because she felt that any percentage increase should be applied across the board to all medical workers. She added that any favoritism towards the doctors would have

provoked an immediate walkout by Fetsalud. The minister stated that her ministry cannot pay the 48 percent that Fetsalud is demanding, nor the 30 percent the doctors want. Gurdian felt that a 20 percent increase, which would require an additional 100 million cordobas from the Treasury Ministry, is more realistic. Anything more would break Nicaragua's commitments to the IMF and even the additional 100 million cordobas would still have to be "sold" to the fund by Gurdian and Treasury Minister Mario Arana.

¶5. (SBU) Unless the GON is able to solve the growing medical strike by finding money in the budget to meet the unions, demands or via political negotiations with the FSLN (see below), Gurdian said that she saw little way out of the impasse. She hoped that a planned "discussion forum" organized by the resident representatives of the U.N. agencies for February 3 will help. The U.N. agencies have called on all the stakeholders (government, unions, NGOs, etc.) to participate and to develop a long-term national health care salary policy. Such a policy could theoretically help Nicaragua break its regular two-year cycle of medical salary renegotiation and strikes. Aside from making all involved lose credibility and endangering people's lives, Gurdian stated that the strikes are also incredibly costly for Minsa.

¶6. (U) On January 30, the political dimension of the strike (and additional future strikes that have been threatened by Sandinista unions in other sectors) was highlighted when Cardinal Miguel Obando y Bravo publicly "suggested" to President Bolanos that he should negotiate a solution with the person who "has influence in such moments"--Sandinista caudillo Daniel Ortega.

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